

Agreement Regarding Trade between Japan and Germany.

The Government of Japan and the Government of Germany, in due consideration regarding the import and export of both countries, have reached the following agreement in the hope of promoting mutual trade and to bring about its development for the benefit of both countries so as to meet present economic conditions.

Article 1.

The Government of one of the two countries shall permit, under ordinary transactions, the importation, during each fiscal year, of the products of the other country, according to the articles and prices agreed upon for each fiscal year by competent authorities of the two countries. The payment for the products mentioned above shall be made by liquidation decided upon by the agreement of competent authorities of the two countries, or by free foreign exchange.

Article 2.

The Government of one of the two countries shall permit, under "special transactions" to be added to the "ordinary Transaction" mentioned in the preceding article, the importation of the products of the other country according to the articles and prices agreed upon by competent authorities of the two countries during the term of this Agreement. The payment for the above products shall be made by liquidation or credit as decided by the agreement of competent authorities of the two countries.

The German Government shall agree that the German Banking Syndicate will supply the Yokohama Specie Bank with funds for the purpose to facilitate the payment for the German products imported through "special transactions" by Japan.

The Japanese Government shall permit the Yokohama Specie Bank to remit necessary funds to repay the loan made according to the preceding clause.

Article 3.

The Government of one of the two countries, in the enforcement of the provisions of this agreement, shall pay due consideration to the interests of the people of the other country who have been engaged in trade between the two countries.

The Governments of both countries shall not hinder the trade between the two countries by such measures as will necessitate the alienation from ordinary terms of transactions.

Article 4.

The Government of one of the two countries, in order to prevent unreasonable rises in the price of products of its own country to be exported to the other country, shall take appropriate measures by always considering the price of the same products in a third country.

Article 5.

The Governments of both countries shall strive to complete within the term of this Agreement, the delivery of goods ordered in "special transactions".

Article 6.

The method of payment and technical details necessary for the enforcement of this Agreement shall be decided upon through the understanding of competent authorities of the two countries.

Article 7.

The Governments of both countries shall continually observe the development of the trade between the two countries and adjust it so as to conform with the provisions of this Agreement. For this purpose the representatives appointed by each Government shall meet in Tokyo and Berlin every three months, or more frequently if necessary.

Article 8.

The provisions of this Agreement shall be applicable only to those goods of one of the two countries shipped or transported directly to the other country, whether through a port of a third country or not.

Article 9.

This Agreement shall not be applicable to transit goods.

In the accounts stipulated in this Agreement, goods, either imported into the leased territory of Kwantung from Germany or exported to Germany from the leased territory of Kwantung, shall be regarded as transit goods.

Article 10.

Products of one of the two countries imported by the other country according to this Agreement, and re-exported by this import country to a third country without being manufactured to cause any rational changes economically, shall be outside the application of this Agreement.

Article 11.

In this Agreement:

- (1) "Products" of Japan or Germany shall mean commodities which are either completely manufactured or goods that are finished to give them the rational and substantial changes economically in the respective countries.
- (2) The "fiscal year" will be the one year beginning from October 1.

Article 12.

Canned crab, canned fish, whale oil, fish skin, and other similar marine products manufactured or finished on Japanese ships outside of the Japanese territorial waters or by Japanese enterprises in the territories of the Union of Soviet Socialist Republics shall be regarded "products" of Japan defined in Article 11 of this Agreement.

When these products are shipped or transported directly from the above places, they shall be regarded as being shipped or transported from Japan, irrespective of the provisions in Article 8 of this Agreement.

Article 13.

The provisions of this Agreement shall be applied to all areas belonging to or under the protection of one of the two countries. The protectorates of Bohemia and Moravia, however, shall be outside the application of this Agreement.

Article 14.

This Agreement shall take effect on the first of October, 1939, and shall be valid till the thirtieth of September, 1941.

If the Government of one of the two countries should notify the other Government, after six months from the date of enforcement of this Agreement, of its desire for any alterations in this Agreement, the other Government shall agree to open negotiations for this purpose. If the negotiation is not arranged within two months from the date of notification, the government desiring the above alterations may announce a renunciation of this Agreement. In this case this Agreement shall be valid till the last day of the following month after the announcement has been made.

Article 15.

Matters regarding transactions and payments according to this Agreement which are not completed at the expiration of this Agreement, shall be disposed of according to the provisions of this Agreement and other arrangements pertaining to it.

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In witness whereof, the undersigned, duly authorized by their respective Governments, have signed this Agreement.

Two copies of this of equal validity in Japanese and German are made in Berlin on , the fourteenth year of Showa or 1939.

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